

BANKS AND BANKING

CHAPTER 109

SENATE BILL NO. 2050
(Legislative Council)
(Interim Financial Institutions Committee)

STATE BANKING BOARD MEMBERSHIP

AN ACT to amend and reenact subsection 1 of section 6-01-03 of the North Dakota Century Code, relating to membership of the state banking board.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 1 of section 6-01-03 of the 1981 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

1. The state banking board shall consist of the commissioner and six members to be appointed by the governor, ~~three~~ four of whom shall each have had at least five years' experience in an executive capacity in the management of a state bank in the state of North Dakota, one of whom shall have had at least five years' experience in an executive capacity in the management of any state or national bank in North Dakota, ~~one of whom shall have had at least five years' experience in an executive capacity in the management of any state-chartered building and loan association,~~ and one of whom shall be a lay member from the public at large. The term of office of the members of ~~such~~ the board, other than the commissioner, shall be for a period of five years. ~~The lay member's term shall begin July 1, 1979.~~ In case of a vacancy in ~~such~~ the board, by death, resignation, or removal of an appointed member, the vacancy shall be filled by appointment by the governor for the unexpired term. The commissioner shall be the chairperson of ~~such~~ the board and the attorney general shall be, ex officio, the attorney for ~~such~~ the board. The assistant commissioner shall serve as its secretary. The board shall hold regular meetings in January, March, May, July, September, and November of each year and special meetings at the call of the commissioner in such place as the commissioner may designate within the state of North Dakota. The members of ~~such~~ the board, other than the commissioner, shall receive fifty dollars per day

and their actual necessary expenses for transportation while attending meetings, or in the performance of such special duties as the board may direct. In the event of travel by automobile, they shall receive the same mileage expense allowed state employees.

Approved March 4, 1983

CHAPTER 110

HOUSE BILL NO. 1044
(Legislative Council)
(Interim Budget "C" Committee)

BANK AND CREDIT UNION ASSESSMENTS

AN ACT to create and enact a new section to chapters 6-01 and 6-06 of the North Dakota Century Code, relating to an assessment on state-chartered banks and state-chartered credit unions for additional examinations; and to amend and reenact sections 6-01-17, 6-05-28, subsection 4 of section 6-06-08, and section 6-09-29 of the North Dakota Century Code, relating to a yearly assessment on state-chartered banks, and examination fees for trust companies, credit unions, the North Dakota central credit union, and the Bank of North Dakota.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 6-01-17 of the 1981 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-01-17. Fees for examination Yearly assessment of banks. Every state banking association and banking institution placed under the jurisdiction and control of the commissioner and the commissioner's deputy examiners by the provisions of this title, prior to receiving its certificate of authority to commence business, if a new corporation or association, and in all cases within ten days after each examination, shall pay into the state treasury the following fee: two and one-half-hundredths yearly assessment: one and one-quarter hundredths of one percent of gross amount of the assets of said corporation or association on the day of the examination June thirtieth of each year, exclusive of expenses, interest, and taxes paid, and inclusive of any valuation allowance or allowances deducted by a state banking association from any asset account. Such fee shall not be less than five hundred seven hundred fifty dollars and not more than fifteen thousand seven thousand five hundred dollars. Examination Assessment fees shall not be computed on the combined assets of the bank and its trust department for those banks exercising trust powers. The minimum and maximum shall apply to the assets of the bank separate from the assets of the trust department, and fees for examination of the trust department shall be computed in accordance with section

6-05-28. The assessment shall be paid to the state treasurer within thirty days of each June thirtieth, except that institutions whose examination has begun within the six months immediately prior to the effective date of this Act shall not have to pay the first yearly assessment. Institutions that have not been examined by the commissioner or the state banking board for three years prior to any assessment date shall not be required to pay the assessment. The state treasurer shall report such payments of fees to the state banking board, and if any such corporation or institution shall be delinquent more than twenty days in making such payment, the board may make an order suspending the functions of such delinquent corporation or institution until payment of the amount due, plus a penalty of five dollars a day additional for the delay.

SECTION 2. A new section to chapter 6-01 of the North Dakota Century Code is hereby created and enacted to read as follows:

Additional assessment of banks. Where the commissioner determines that more than one visit, inspection, or examination is necessary to promote the safety and soundness of a state banking association during a twelve-month period, such state banking association shall pay to the state treasurer one hundred dollars per day for the time used by the commissioner or other person designated by the commissioner in supervising, filing, and corresponding in connection with each additional visit, inspection, or examination and report of examination and for time used by each deputy examiner, or other person or persons in making and otherwise preparing and typing the reports of examination herein provided for. A state banking association shall pay such assessment within ten days of receiving a billing from the commissioner. The state treasurer shall report such payments of fees to the state banking board, and if any such corporation or institution shall be delinquent more than twenty days in making such payment, the board may make an order suspending the functions of such delinquent corporation or institution until payment of the amount due, plus a penalty of five dollars a day additional for the delay. The state banking board may waive or postpone the collection of this special assessment if such assessment would place an undue burden on the state banking association.

SECTION 3. AMENDMENT. Section 6-05-28 of the 1981 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-05-28. Examination by commissioner - Fees - Power over business, officers, and employees. The commissioner shall make a full, true, complete, and accurate examination and investigation of the affairs of each corporation doing business under this chapter once in each eighteen months, or ~~often~~ more often if required to do so by a verified information in writing filed with the commissioner by any person interested in any trust with which any such corporation may be charged. Such examination shall be made without previous notice to the corporation to be examined. Fees for such examinations shall be charged by the department of banking and financial institutions

for the examinations provided for by this section at the rate of sixty-five one hundred dollars per day for the time used by the commissioner or other person designated by the commissioner in supervising, filing, and corresponding in connection with such examination and report of examination and for time used by each deputy examiner, or other person or persons in making and otherwise preparing and typing the reports of examination herein provided for. The commissioner, in the commissioner's discretion, may accept, in lieu of any examination authorized or required by this title to be conducted by the department of banking and financial institutions, the examination that may have been made of such institution within a reasonable period by the federal reserve bank, if a copy of such examination is furnished to the commissioner. The commissioner shall assume and exercise over each such corporation and its business, officers, directors, and employees all the power and authority conferred upon the commissioner over banking and other financial or moneyed corporations or associations.

SECTION 4. AMENDMENT. Subsection 4 of section 6-06-08 of the 1981 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

4. The credit union shall, within thirty days from date of billing, pay to the state treasury for examination a fee as provided in the following schedule:

Total Assets on Day of Examination	Fee
\$0 to \$ 300,000	\$300
over \$ 300,000	\$ 300 plus .00075 x excess over \$ 300,000
over \$ 500,000	\$ 450 plus .00030 x excess over \$ 500,000
over \$ 1,000,000	\$ 600 plus .00020 x excess over \$ 1,000,000
over \$ 5,000,000	\$1,400 plus .00016 x excess over \$ 5,000,000
over \$10,000,000	\$2,200 plus .00012 x excess over \$10,000,000
over \$20,000,000	\$3,400 plus .00009 x excess over \$20,000,000
over \$30,000,000	\$4,300 plus .00007 x excess over \$30,000,000
over \$40,000,000	\$5,000 plus .00006 x excess over \$40,000,000
over \$50,000,000	\$5,600 plus .00005 x excess over \$50,000,000

The minimum fee for the examination of a credit union shall be three hundred dollars and the maximum fee shall be ten thousand dollars. The examination fee for North Dakota central credit union shall be one hundred thirty-five dollars per examiner day for the time used by the commissioner or other person or persons designated by the commissioner in making and otherwise preparing and typing the reports of examination. If any such credit union shall be delinquent more than twenty days in making such payment, the board may make an order suspending the functions of such delinquent credit union until payment of the amount due, plus a penalty of two hundred dollars for the delay.

SECTION 5. A new section to chapter 6-06 of the North Dakota Century Code is hereby created and enacted to read as follows:

Additional assessments of credit unions. Where the commissioner determines that more than one visit, inspection, or examination is necessary to promote the safety and soundness of a credit union during a twelve-month period, such credit union may be required to pay to the state treasurer one hundred dollars per day for the time used by the commissioner or other person designated by the commissioner in supervising, filing, and corresponding in connection with each additional visit, inspection, or examination and report of examination and for time used by each deputy examiner, or other person or persons in making and otherwise preparing and typing the reports of examination herein provided for. A credit union may be required to pay such assessment within ten days of receiving a billing from the commissioner. The state treasurer shall report such payments of fees to the state credit union board, and if any such credit union shall be delinquent more than twenty days in making such payment, the board may make an order suspending the functions of such delinquent credit union until payment of the amount due, plus a penalty of five dollars a day additional for the delay. The state credit union board may waive or postpone the collection of this special assessment if such assessment would place an undue burden on the credit union.

SECTION 6. AMENDMENT. Section 6-09-29 of the 1981 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-09-29. Department of banking and financial institutions and the industrial commission responsible for examinations and audit reports. The industrial commission shall be responsible for contracting with a nongovernment certified public accounting firm to annually audit the Bank of North Dakota in accordance with generally accepted auditing standards, which shall include inspection and verification of the assets in its possession and under its control with sufficient thoroughness to ascertain with reasonable certainty whether the valuations are carried correctly on its books. The auditor so hired shall audit the Bank's methods of operation and accounting, shall report the results to the industrial commission as soon as practicable, and shall furnish one copy to the legislative assembly. The costs of such audit shall be paid for by the Bank of North Dakota. The department of banking and financial institutions, through the commissioner, shall be responsible for an annual examination of the Bank of North Dakota and for any investigation of the Bank which may be necessary. The results of this examination, and any necessary investigation, shall be reported to the industrial commission as soon as practicable and to the legislative assembly. Fees for such examinations shall be charged by the department of banking and financial institutions for the examinations provided for by this section at the rate of ~~sixty-five~~ one hundred thirty-five dollars per day for the time used by the commissioner or other person designated by the commissioner in supervising, filing, and corresponding in connection with such examination and report of examination and for the time used by each deputy examiner, or other person or persons in making and otherwise preparing and typing the reports of examinations herein provided for.

Approved April 13, 1983

CHAPTER 111

SENATE BILL NO. 2419
(Satrom)

BANKING OFFICER LOAN LIMITS

AN ACT to amend and reenact section 6-03-60 of the North Dakota Century Code, relating to loans to and purchases from directors, officers, and employees of any state banking association.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 6-03-60 of the 1981 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-03-60. Loans to and purchases from directors, officers, and employees - Restrictions - Conditions - Penalty - Civil liability. No director or managing officer of any state banking association, nor the commissioner, assistant commissioner, nor deputy examiners, shall be permitted to borrow an amount in excess of twenty-five thousand dollars from any state banking association without first obtaining the approval of a majority of the board of directors of said banking association, excluding from such majority any director whose application is to be acted upon, and no action upon any loan herein provided for shall be taken by the board in the presence of the applicant. Every loan shall be made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons and shall be in strict conformity with the association's rules and regulations. No executive officer of any state banking association shall borrow from or otherwise become indebted to any state banking association of which he is an executive officer in an aggregate amount exceeding twenty thousand dollars for any loan or extension of credit, other than a loan secured by a first mortgage on the officer's residence, which loan shall not exceed sixty thousand dollars, and a loan or extension of credit to finance the education of the officer's children, which loan or extension of credit shall not exceed the aggregate amount of twenty thousand dollars amounts or in an aggregate amount which exceed those authorized by the state banking board, for any loan or extension of credit, including loans secured by a first mortgage on the officer's residence, or a loan or extension of credit to finance the education of the officer's

children. At no time shall any combination of loans or extensions of credit or both made by a state banking association to an officer of that association exceed the limitation on loans to one person or concern specified in section 6-03-59. ~~No state banking association may pay an overdraft on an account at such bank of an officer or director.~~ The chairman of the board, the president, every vice president, the cashier, the secretary, and the treasurer of a company or bank are considered executive officers, unless (1) the officer is excluded, by resolution of the board of directors or by the bylaws of the bank or company, from participation, other than in the capacity of a director, in major policymaking functions of the bank or company, and (2) the officer does not actually participate therein.

No director, officer, or employee of a bank shall sell to such bank, directly or indirectly, any mortgage, bond, note, stock, or other property whatsoever without first obtaining the written approval of the board of directors. The action of the board of directors in connection with the loans and discounts required under this section shall be made a matter of permanent record in the minute books of the banking association. Any shareholder, officer, or director of any banking association who knowingly shall violate the provisions of this section shall be held liable in his personal and individual capacity for all loss or damage which the association or any person shall sustain in consequence thereof and shall be guilty of a class B misdemeanor. The commissioner may require, at any time, the payment or repurchase of loans, securities, or obligations herein referred to.

Approved March 17, 1983

CHAPTER 112

HOUSE BILL NO. 1313
(Representative Hughes)
(Senator Wenstrom)

INVESTMENT OF TRUST FUNDS

AN ACT to amend and reenact section 6-05-15 of the North Dakota Century Code, relating to the investment of trust funds.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 6-05-15 of the 1981 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-05-15. Investment of trust funds. Any sum of money, which shall be collected or received by any such corporation in its trust capacity, and which shall not be required for the purposes of the trust, or which is not to be accounted for within one year from the date of collection, receipt, or deposit, shall be invested by the corporation as soon as practicable.

In acquiring, investing, reinvesting, exchanging, retaining, selling, and managing the property for the benefit of another, the trustee shall exercise the judgment and care under the circumstances then prevailing, which men of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital. Within the limitations of the foregoing standard, the trustee is authorized to acquire and retain every kind of property, real, personal, or mixed, and every kind of investment, specifically including but not by way of limitation, bonds, debentures, and other corporate obligations and stocks, preferred or common, including investment trusts, mutual funds, money market funds, and other similar funds in which the trustee or any of its affiliates may have a beneficial interest, which men of prudence, discretion, and intelligence acquire or retain for their own account, and within the limitations of the foregoing standard, the trustee may retain property properly acquired without limitation as to time and without regard to its suitability for original purchase. The net interest and profits of such investments, less the reasonable charges and disbursements of the corporation in connection therewith, shall be accounted for and paid over as a part of the trust. The net accumulations of interest and profits likewise shall be invested and reinvested as a part of the principal, and such investments shall be received and allowed in the settlement of the trust.

Approved March 4, 1983

CHAPTER 113

HOUSE BILL NO. 1304
(Representative Hughes)
(Senator Wenstrom)

**TRUST FUND INVESTMENT
AND COMMINGLING**

AN ACT to amend and reenact section 6-05-15.1 of the North Dakota Century Code, relating to the investment of trust funds and commingling of funds.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 6-05-15.1 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-05-15.1. Corporate trustee - Investment of trust funds - Commingling funds. Any trust company may invest all moneys received by it in authorized securities, and shall be responsible to the owner or cestui que trust for the validity, regularity, quality, value, and genuineness of these investments and securities so made, and for the safekeeping of the securities and evidences thereof. When special directions are given in any order, judgment, decree, will, or other written instrument as to the particular manner or the particular class or kind of securities or property in which any investment shall be made, it shall follow such directions, and in such case it shall not be further responsible by reason of the performance of such trust. In all other cases it may invest funds held in any trust capacity in authorized securities using its best judgment in the selection thereof, and shall be responsible for the validity, regularity, quality, and value thereof at the time made, and for their safekeeping. Whether it be the sole trustee or one of two or more cotrustees, it may invest in fractional parts of, as well as in whole, securities, or may commingle funds for investment. If it invests in fractional parts of securities or commingles funds for investment, all of the fractional parts of such securities, or the whole of the funds so commingled shall be owned and held by the trust company in its several trust capacities, and it shall be liable for the administration thereof in all respects as though separately invested, provided, that not more than one hundred thousand dollars, at the cost price of such investments, shall be so invested for any one trust at any one time in fractional parts or as commingled funds for investment, unless the authority to invest in fractional parts or as commingled funds be given in the order, judgment, decree, will, or other written instrument governing such trust. Funds so commingled for investment shall be designated collectively as a common trust fund. It may, in its discretion, retain and continue any investment and security or securities coming into its possession in any fiduciary capacity. The foregoing shall apply as well whether a corporation trustee is acting alone or with an individual cotrustee.

Approved March 4, 1983

CHAPTER 114

HOUSE BILL NO. 1471
(Kloubec)TRUST OFFICES OF
SUBSIDIARY TRUST COMPANIES

AN ACT to amend and reenact section 6-05.1-04 of the North Dakota Century Code, relating to the trust offices of subsidiary trust companies.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 6-05.1-04 of the 1981 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-05.1-04. Trust offices of subsidiary trust companies. A subsidiary trust company may have a trust office at any one or more locations in this state in the same building in which the main office of any affiliated bank is located, but not elsewhere. However, that portion of the home office of a subsidiary trust company, which does not function as and is not held out as an on-premises direct customer contact center or business development office, may be located anywhere within the corporate city limits in which the main office of any affiliated bank is located.

Approved March 11, 1983

CHAPTER 115

HOUSE BILL NO. 1325
(Representatives Sanstead, Gates)
(Serenus Hoffner, Lipsiea, Schoenwald)

CREDIT UNION BYLAWS, COMMITTEES, AND FUNDS

AN ACT to amend and reenact sections 6-06-04, 6-06-11, 6-06-15, 6-06-19, 6-06-21, and 6-06-27 of the North Dakota Century Code, relating to approval of bylaws by directors or members, supervisory and credit committees for credit unions, borrowing by a corporate central credit union, risk assets of credit unions and expulsion of members of credit unions.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 6-06-04 of the 1981 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-06-04. Amendment of certificate or bylaws - Approval by state credit union board. The certificate of organization or bylaws of a credit union may be amended by the board of directors or the membership of the credit union as specified in the bylaws. If the bylaws provide for amendments by the board of directors, such amendments shall require an affirmative vote of two-thirds of the authorized number of members of the board of directors of the credit union at any duly held meeting of the board, if the members of the board have been given prior written notice of said meeting and the notice contains a copy of the proposed amendment or amendments. If the bylaws provide for amendments by the membership of the credit union, such amendments shall require an affirmative vote of two-thirds of the members present and voting at a duly called regular or special meeting of the membership, providing the members have been given prior written notice of said meeting and the notice contains a copy or summary of the proposed amendment or amendments. No amendment of ~~these~~ the bylaws or of the certificate of organization shall become effective, until approved in writing by the state credit union board. Amendments to the certificate of organization shall be filed with the secretary of state within thirty days after the amendments have been approved by the state credit union board.

SECTION 2. AMENDMENT. Section 6-06-11 of the 1981 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-06-11. Annual meetings - Election of directors and committees. The organization meeting of the members of a credit union shall be the first annual meeting. At its annual meeting, its members shall elect a board of directors of not less than five members and a credit committee of not less than three members, unless the bylaws of the credit union provide that the credit union may not have a credit committee. A supervisory committee of not less than three members shall be elected at the annual meeting, unless the bylaws of the credit union provide that the supervisory committee members be appointed by the board of directors of the credit union or the bylaws provide that the credit union may not have a supervisory committee. In the event the bylaws do not provide for a supervisory committee, then the duties and powers of a supervisory committee, as described in section 6-06-15, shall be the responsibility of the board of directors. The directors and committee members if any, shall hold office for such terms, respectively, as provided by the bylaws of the credit union and until their successors qualify. A record of the names and addresses of the officers and members of the board and committees shall be filed with the commissioner within ten days after their election or appointment. Notice of any change in membership on the board or committees by appointment to fill an unexpired term or otherwise, must be filed with the commissioner within ten days of such change.

If the bylaws of the credit union provide for a credit committee, then pursuant to the provisions of the bylaws, the board of directors may appoint or the members may elect a credit committee which consists of an odd number of members of the credit union, but which may not include more than one loan officer. The method used must be set forth in the bylaws.

If the credit committee is dispensed with in the bylaws, a credit manager, under the general supervision of the board of directors, may be empowered to approve or disapprove loans subject to the policies and conditions prescribed by the board of directors. The president may serve as the credit manager. Where a credit manager is provided in lieu of a credit committee, the credit manager may appoint one or more loan officers with the power to approve or disapprove loans, subject to such limitations or conditions as the credit manager prescribes.

SECTION 3. AMENDMENT. Section 6-06-15 of the 1981 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-06-15. Duties and powers of supervisory committee. The supervisory committee, by a majority vote, may call a special meeting of the members of the credit union to consider any matter which it wishes to submit to the membership. It shall:

1. Fill vacancies in its own membership.
2. Make an examination of the affairs of the credit union, including an audit of its books, at least annually, and it may submit such report to the members of the credit union at a meeting called for that purpose by the committee whenever it deems such action necessary.
3. Make an annual audit and report and submit it at the annual meeting of the credit union.
4. Suspend any officer, director, or member of any committee when by unanimous, not including the person who is being considered for suspension, vote of the committee, such action is determined to be necessary to the proper conduct of the credit union, but upon taking such action, the committee shall call the members of the credit union together immediately to act on such suspension, and the members at such meeting may sustain the suspension and remove such officer permanently or may reinstate him.

If the bylaws do not provide for the election or appointment of a supervisory committee, the duties and powers described above shall be the responsibility of and delegated to the board of directors.

SECTION 4. AMENDMENT. Section 6-06-19 of the 1981 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-06-19. Authority to borrow - Limitation - Exception. A credit union may borrow money from any source, but the total borrowings shall not exceed twenty-five percent of its assets unless the commissioner shall authorize a larger amount. The state credit union board, in the exercise of its discretion, may suspend or restrict the borrowing powers of a credit union. The limitation on borrowing does not apply to a corporate central credit union which shall be limited to borrowing up to five times its capital, surplus and reserve fund. For the purposes of this section, capital, surplus and reserve fund for a corporate central credit union includes statutory or regulatory reserves, reserves established for contingencies or any other purposes, undivided earnings, all sums on deposit by other credit unions which are permanent capital base funds as defined by the bylaws of the corporate central credit union, or any other funds being held by the corporate central credit union for the purpose of maintaining a capital base.

SECTION 5. AMENDMENT. Section 6-06-21 of the 1981 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-06-21. Reserve fund - Amount required and how raised. Every credit union, except corporate central credit unions, shall maintain a reserve fund in accordance with the rules of the national credit

union administration to be used as a reserve against bad loans and other losses. This fund shall not be distributed except upon liquidation. A credit union in operation for more than four years and having assets of five hundred thousand dollars or more shall set aside ten percent of gross income until the reserve fund equals four percent of the total of outstanding loans and risk assets, then five percent of gross income until the reserve fund equals six percent of the total of outstanding loans and risk assets. A credit union in operation for less than four years or having assets of less than five hundred thousand dollars shall set aside ten percent of gross income until the reserve fund equals seven and one-half percent of the total of outstanding loans and risk assets, then five percent of gross income until the reserve fund equals ten percent of the total of outstanding loans and risk assets.

Every corporate central credit union shall maintain a reserve fund to be used as a reserve against bad loans and other losses. This fund shall not be distributed except upon liquidation. At the end of each fiscal year, the corporate central credit union shall transfer to the reserve fund two percent of gross earnings until the reserve fund equals one and one-half percent of total assets. Thereafter, there shall be added annually to the reserve fund at the end of each fiscal year the contribution amounts or the percentage of the gross earnings of the corporate central credit union, not to exceed two percent of gross earnings, required to maintain its reserve fund at one and one-half percent of total assets.

SECTION 6. AMENDMENT. Section 6-06-27 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-06-27. Expulsion and withdrawal of members - Repayment of deposits and payments on shares Notice of intention to withdraw shares and deposits. A member may be expelled, after hearing, by a two-thirds vote of the members present at a special meeting called to consider the matter or at the annual meeting. Any member may withdraw from a credit union at any time. A credit union may require sixty days' notice of intention to withdraw shares and thirty days' notice of intention to withdraw deposits. Withdrawing or expelled members shall have no further rights in the credit union, but shall not be released from any remaining liability to it by such expulsion or withdrawal. All amounts paid on shares or as deposits by an expelled or withdrawing member, and any dividends or interest credited to him to the date of expulsion or withdrawal, after all sums due from the member to the credit union have been deducted, shall be repaid to him the member as funds become available.

Approved March 8, 1983

CHAPTER 116

SENATE BILL NO. 2422
(Olson)

NONSUFFICIENT FUND CHECK ISSUANCE

AN ACT to amend and reenact section 6-08-16 and subsections 2 and 5 of section 6-08-16.2 of the North Dakota Century Code, relating to civil penalties for issuing checks with insufficient funds or without an account.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 6-08-16 of the 1981 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-08-16. Issuing check or draft without sufficient funds or credit - Notice - Time limitation - Financial liability - Penalty.

1. Any A person who may not, for himself or, as the agent or representative of another, or as an officer or member of a firm, company, copartnership, or corporation makes, draws, utters, or delivers make, draw, utter, or deliver any check, draft, or order for the payment of money upon a bank, banker, or depository, and if at the time of such making, drawing, uttering, or delivery, or at the time of presentation for payment if made within one week after the original delivery thereof, has there are not sufficient funds in or credit with such the bank, banker, or depository to meet such the check, draft, or order in full upon its presentation, is guilty of. Violation of this subsection is a class B misdemeanor. The person is also liable for collection fees or costs, not in excess of ten dollars, which are recoverable by civil action by the holder of the check, draft, or order.
2. If full payment of the instrument and collection fees is not made within ten days from receipt of the notice of dishonor, a civil penalty is recoverable by civil action by the holder of the check, draft, or order. The civil penalty consists of payment to the holder of the instrument of the lesser of one hundred dollars or three times the amount of the instrument.

3. The word "credit" as used in this section means an arrangement or understanding with the bank, banker, or depository for the payment of the check, draft, or order. The making of a postdated check knowingly received as such, or of a check issued under an agreement with the payee that the check would not be presented for payment for a time specified, does not constitute a violation of violate this section.

2- 4. A notice of dishonor may must be sent by the holder of the check upon dishonor, prior to the institution of a criminal proceeding, the notice to be in substantially the following form:

Notice of Dishonored Check

Date -----
 Name of Issuer -----
 Street Address -----
 City and State -----

You are according to law hereby notified that a check dated -----, 19----, drawn on the ----- Bank of ----- in the amount of ----- has been returned unpaid with the notation the payment has been refused because of nonsufficient funds. Within ten days from the receipt of this notice, you must pay or tender to -----

(Holder)

sufficient moneys to pay such instrument in full and any collection fees or costs not in excess of ten dollars. Payment to holder of the face amount of the instrument, plus any collection fees or costs, not exceeding the additional sum of ten dollars, shall constitute a defense to a criminal charge brought hereunder if paid within ten days from receipt of this notice of dishonor. If payment of the above amounts is not made within ten days from receipt of this notice of dishonor, a civil penalty of the lesser of one hundred dollars or three times the amount of the instrument will be assessed.

Such The notice may also contain a recital of the penal provisions of this section and the possibility of a civil action to recover any collection fees or costs or civil penalty authorized by this section.

3- 5. An agent acting for the receiver of a check in violation of this section may present the check to the state's attorney for prosecution if the issuer does not pay to the holder sufficient moneys to pay the check within ten days from receipt of the notice. The criminal complaint for the offense of issuing a check, draft, or money order without sufficient funds under this section must be executed within not more than ninety days after the

dishonor by the drawee of said instrument for nonsufficient funds. The failure to execute a complaint within said time shall bar the criminal charge under this section.

SECTION 2. AMENDMENT. Subsections 2 and 5 of section 6-08-16.2 of the 1981 Supplement to the North Dakota Century Code are hereby amended and reenacted to read as follows:

2. Any A person who, for himself or as agent or representative of another, issues any ~~check, draft, or order for the payment of money~~ instrument is guilty of a class C felony if that person ~~either has issued an instrument in excess of five thousand dollars as payment for a livestock purchase, or~~ has been previously convicted of issuing an instrument without an account or without sufficient funds in a bank or depository pursuant to section 6-08-16, and:

- a. At the time of issuing the instrument with intent to defraud, the drawer does not have an account with the bank or depository on which the instrument is drawn; or
- b. At the time of issuing the instrument with intent to defraud, or at the time of presentation for payment if made within one week after the original delivery of the instrument, the drawer does not have sufficient funds in the bank or depository, or credit with the bank, banker, or depository, to pay the instrument in full upon its presentation.

The person is also liable for collection fees or costs, not in excess of ten dollars, which are recoverable by civil action by the holder of the instrument. If full payment of the instrument and collection fees is not made within ten days from receipt of the notice of dishonor, a civil penalty is recoverable by civil action by the holder of the check, draft, or order. The civil penalty consists of payment to the holder of the instrument of the lesser of one hundred dollars or three times the amount of the instrument.

5. A notice of dishonor ~~shall~~ must be sent by the holder of the check upon dishonor. The notice ~~shall~~ must be in substantially the following form:

Notice of Dishonored Check

Date -----
 Name of Issuer -----
 Street Address -----
 City and State -----
 You are according to law hereby notified that a
 check dated -----, 19----, drawn on the

----- Bank of ----- in
the amount of ----- has been returned
unpaid with the notation the payment has been
refused because (of nonsufficient funds) (the
drawer does not have an account). Within ten days
from the receipt of this notice, you must pay or
tender to -----

(Holder)

sufficient moneys to pay such instrument in full
and any collection fees or costs not in
excess of ten dollars. Payment to holder of the
face amount of the instrument, plus any collection
fees or costs, not exceeding the additional sum of
ten dollars, shall constitute a defense to a
criminal charge brought hereunder if paid within
ten days from receipt of this notice of dishonor.
If payment of the above amounts is not made within
ten days from receipt of the notice of dishonor, a
civil penalty of the lesser of one hundred dollars
or three times the amount of the instrument will
be assessed.

The notice may also contain a recital of the penal provisions of
this section and the possibility of a civil action to recover any
collection fees or costs authorized by this section.

Approved April 8, 1983

CHAPTER 117

SENATE BILL NO. 2193
(Committee on State and Federal Government)
(At the request of the Bank of North Dakota)

BANK OF NORTH DAKOTA EMPLOYEES

AN ACT to amend and reenact section 6-09-04 of the North Dakota Century Code, relating to the powers of the industrial commission to appoint the president and other officers, employees, and agents of the Bank of North Dakota.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 6-09-04 of the 1981 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-09-04. Commission to employ president and employees - ~~Expenditures~~ Compensation, operation, and maintenance expenditures limited to appropriations. The industrial commission shall ~~obtain such assistance as in its judgment may be necessary for the establishment, maintenance, and operation of the Bank.~~ To that end, it shall appoint a president, and may appoint and employ such subordinate officers and, employees, and agents as it may judge expedient and in the interests of the state, and shall define the duties, designate the titles, and fix the compensation of all such persons. ~~It~~ The commission may constitute ~~such the~~ president its general agent in respect to the functions of ~~said the~~ Bank, ~~but~~ subject, nevertheless, in such agency, to the its supervision, limitation, and control of the commission. ~~It shall employ such contractors, architects, builders, attorneys, cashiers, tellers, clerks, accountants, and other experts, agents, and servants as in the judgment of the commission the interests of the state may require, and shall define the duties, designate the titles, and fix the compensation, within legislative appropriation, and the bonds of all such persons so engaged. Subject to the control and regulation of the commission, the president of the Bank shall appoint and employ such deputies, cashiers, tellers, and other subordinates, and such contractors, architects, builders, attorneys, clerks, accountants, and other experts, agents, and servants, as he, in his judgment, shall deem required by the interests of the Bank.~~ The total compensation of such appointees and employees, together with other expenditures for the operation and maintenance of the Bank, shall remain within the appropriation lawfully available in each year for such purpose.

Approved February 10, 1983

CHAPTER 118

HOUSE BILL NO. 1166
(Committee on Industry, Business, and Labor)
(At the request of the Bank of North Dakota)

BANK OF NORTH DAKOTA LOAN AUTHORITY

AN ACT to amend and reenact subdivisions b and c of subsection 1 of section 6-09-15 of the North Dakota Century Code, relating to the power of the Bank of North Dakota to make and participate in loans.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

* SECTION 1. AMENDMENT. Subdivisions b and c of subsection 1 of section 6-09-15 of the 1981 Supplement to the North Dakota Century Code are hereby amended and reenacted to read as follows:

- b. Make loans to state or national banks, bank holding companies, institutions which are part of the federal farm credit system, and North Dakota central credit union.
- c. Participate with ~~state or national banks, bank holding companies, savings and loan associations, subsidiary corporations of state banking associations approved by the state banking board pursuant to section 6-03-38, and credit unions,~~ the following institutions and agencies in loans being made by them on such terms and under such rules and regulations as the industrial commission may determine:
- (1) State or national banks.
 - (2) Bank holding companies.
 - (3) Savings and loan associations.
 - (4) Subsidiary corporations of state banking associations approved by the state banking board pursuant to section 6-03-38.
 - (5) Credit unions.

* NOTE: Section 6-09-15 was also amended by section 1 of Senate Bill No. 2448, chapter 119.

- (6) Federally chartered lending agencies or institutions.

CHAPTER 119

SENATE BILL NO. 2448
(Senators Stenehjelm, Holmberg, Redlin)
(Representatives Hamerlik, G. Pomeroy, Swiontek)

STUDENT LOAN PROGRAM

AN ACT to amend and reenact section 6-09-15, 15-62.1-01, 15-62.1-02, 15-62.1-03, 15-62.1-04, 15-62.1-05, 15-62.1-10, 54-17-24, 54-17-25, and 54-17-26 of the North Dakota Century Code, relating to the powers of the Bank of North Dakota to make loans, the guarantee student loan program, the student loan trusts of the industrial commission, and student loan revenue bonds.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

* SECTION 1. AMENDMENT. Section 6-09-15 of the 1981 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-09-15. Bank may make loans - Loan limitations.

1. The Bank of North Dakota may:
 - a. Make loans to and purchase securities issued by instrumentalities of this state. Such loans shall be repaid with interest to the Bank.
 - b. Make loans to state or national banks, bank holding companies, and North Dakota central credit union.
 - c. Participate with state or national banks, bank holding companies, savings and loan associations, subsidiary corporations of state banking associations approved by the state banking board pursuant to section 6-03-38, and credit unions, in loans being made by them on such terms and under such rules and regulations as the industrial commission may determine.
 - d. Buy and sell federal funds, excess reserves, bankers' acceptances, participation loans, and all securities issued by the United States government or its instrumentalities.

* NOTE: Section 6-09-15 was also amended by section 1 of House Bill No. 1166, chapter 118.

- e. Invest its funds in bonds, notes, or debentures of any corporation incorporated under the laws of any state of the United States rated at "A" or higher by a nationally recognized rating service approved by the industrial commission and short term commercial and finance company paper rated A-1 or P-1. Such investments shall not be made to exceed for any one corporation ten percent of the combined capital and surplus of the Bank.
 - f. Make loans to holders of Bank of North Dakota certificates of deposit and savings accounts up to ninety percent of the value of the certificates and savings accounts offered as security.
 - g. Make loans to actual farmers who are residents of this state, if such loans are secured by recorded mortgages giving the Bank of North Dakota a first lien on real estate in North Dakota in amounts not to exceed sixty-five percent of the value of the security.
 - h. Make United States insured and guaranteed loans as specifically authorized by law.
 - i. Make loans which are eligible to be guaranteed pursuant to chapter 15-62.1.
2. The Bank of North Dakota shall not otherwise make loans or give its credit to any individual, association, or private corporation.
3. The Bank of North Dakota shall not loan more than thirty percent of its combined capital and surplus, nor in addition thereto, more than forty percent of its deposits on real estate security, excluding those loans insured or guaranteed by the United States government or its agencies.

SECTION 2. AMENDMENT. Section 15-62.1-01 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-62.1-01. Guarantee student loan program - Administration - Advisory board. The Bank of North Dakota, hereinafter called the "agency", shall be the state agency designated to administer a state guarantee loan ~~program~~ programs, as provided in this chapter. The advisory board of directors to the Bank of North Dakota appointed pursuant to chapter 6-09.1 shall act in an advisory capacity concerning the ~~program~~ programs. The agency, upon recommendation of the advisory board and subject to approval of the industrial commission, ~~may~~ shall expend moneys from the interest earned on the principal balance in the reserve ~~fund~~ funds established pursuant to this chapter as may be necessary to implement and administer the ~~program~~

programs. The term "student" includes a parent borrower under this chapter and the term "coinsurance" includes reinsurance.

SECTION 3. AMENDMENT. Section 15-62.1-02 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-62.1-02. Powers and duties of the Bank of North Dakota agency. The Bank of North Dakota agency shall have the following powers and duties under this chapter:

1. To guarantee the loan of money by eligible lending institutions, all loans which satisfy the requirements set forth in title IV, part B, of the Higher Education Act of 1965, as amended, upon such terms, conditions, and application procedures, commensurate with the applicable provisions of the Federal Higher Education Act of 1965 [20 U.S.C. 1001 et seq.], as amended, which it may establish if federal coinsurance of student loans guaranteed by the agency is available. If at any time the agency determines that student loans made under the terms and conditions of federal coinsurance programs are no longer adequately serving the needs of North Dakota students attending postsecondary institutions, or if federal coinsurance is no longer available, the agency shall notify the industrial commission or its designee. Upon approval of the industrial commission or its designee, the agency shall guarantee student loans without federal coinsurance pursuant to rules made by the agency relating to terms for applicant eligibility in accordance with the provisions of this chapter, to students who meet such requirements as may be determined necessary, prior to making application under this chapter, and who are. If loans are guaranteed without federal coinsurance, the agency may not adopt eligibility requirements or loan limits for student loans to qualify for guarantee by the agency which are more restrictive than those eligibility requirements or loan limits existent as of the date the industrial commission approves the guarantee of loans without federal coinsurance or the date of the termination of programs providing for federal coinsurance of loans guaranteed by the agency. Students whose loans are guaranteed by the agency shall be students who have been accepted for enrollment or are attending an eligible postsecondary institution institutions located within or without this state to assist, and whose loans are for the purpose of assisting them in meeting their expenses of postsecondary education. Students who are accepted for enrollment or are attending an eligible postsecondary institution institutions on at least a half-time basis, as determined by the postsecondary institution institutions, shall be eligible for to have loans hereunder guaranteed by the agency. The agency shall, by rule, establish minimum

qualifications for a person to be deemed a part-time student for purposes of this chapter.

2. To take, hold, and administer, on behalf of the state from any source any real property, personal property and moneys, or any interest therein, and the income therefrom, either absolutely or in trust, for any purpose of the guarantee loan program; provided, that no guarantee obligation of the agency shall be an a general obligation of the agency, state of North Dakota, nor shall be payable out of any moneys except those made available to it the agency under this chapter.
- 3- To adopt rules and regulations not inconsistent with law governing the qualifications and financial needs of students, and establish a method of application for the granting, administration, and repayment of loans which may be made by eligible lending institutions, and make such other rules as may be necessary to properly administer this chapter.

SECTION 4. AMENDMENT. Section 15-62.1-03 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-62.1-03. Agency shall prescribe the rate Rates of interest permissible for guaranteed loans. Any loan All loans guaranteed by the agency shall bear simple interest at a rate not in excess of the interest charged by the lender to other persons for similar types of loans not guaranteed by the agency unless the agency determines that such a higher rate of interest is justified by special circumstances and would be consistent with the general objectives of this chapter and coinsured by the federal government shall bear interest at rates which are no greater than those provided under the federally coinsured loan programs. In the event that the agency guarantees student loans without federal coinsurance pursuant to section 15-62.1-02, such loans shall bear interest at rates which are no greater than the base participation rate as established by the Bank of North Dakota, plus two percentage points, in effect on the date the loan is made.

SECTION 5. AMENDMENT. Section 15-62.1-04 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-62.1-04. Repayment of loans. Repayment The agency shall establish rules for the repayment, or deferment of repayment, of loans guaranteed under this chapter shall be consistent with the provisions of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), as amended, and shall also establish rules for the repayment, or deferment of repayment, of loans guaranteed by the agency which are not coinsured by the federal government.

SECTION 6. AMENDMENT. Section 15-62.1-05 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-62.1-05. Establishment and maintenance of adequate guarantee funds. The agency shall establish and at all times maintain from funds appropriated under this chapter ~~an adequate guarantee reserve fund funds in a special account accounts in the Bank of North Dakota which fund.~~ The fund for loans which are coinsured by the federal government shall be maintained at a minimum amount equal to two percent of the unpaid principal amount of the loans. The fund for loans which are not coinsured by the federal government shall not be less than one-tenth of the dollar value of the total portion of such loans ~~not insured by the federal government.~~ The agency is authorized to enter into an agreement with the federal government for the coinsurance of loans guaranteed under this program. The securities in which the moneys in the reserve ~~fund funds~~ may be invested shall meet the same requirements as those authorized for investment under the state investment board. The income from such investments shall be made available for the costs of administering the ~~respective guarantee loan program programs~~ and income in excess of that required to pay the cost of administering the ~~program programs~~ shall be deposited in the reserve ~~fund funds~~. The proceeds of such reserve ~~fund funds~~ received from federal, state, or private sources for the purpose of guaranteeing loans made to students as provided in this chapter are hereby appropriated as a continuing appropriation for the payment of defaulted loans ~~guaranteed by each respective fund.~~ This fund shall be a self-sustaining revolving fund, and the amount of such fund to be available for the guaranteeing of loans in any one year shall be determined by a formula which will assure so far as possible an equal amount of reserve funds being available for each future year of operation.

SECTION 7. AMENDMENT. Section 15-62.1-10 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-62.1-10. Eligibility for participation in federal student loan program. The agency is directed to comply with such requirements as may be necessary to enter into an agreement with the government of the United States for the purpose of procuring funds and assistance for the administration, development, and operation of a guarantee loan program. No provision of this chapter shall be construed or have the effect of preventing the agency from complying with the guarantee loan program requirements of title IV, part B, of the Higher Education Act of 1965 ~~{20 U.S.C. 1071 et seq.}~~, or similar acts of the Congress of the United States or with any amendments thereto relating to the guarantee loan program. In the event that the agency guarantees student loans without federal coinsurance, the agency shall, by rule, establish terms, conditions, and standards governing the operation and administration of the guarantee student loan program. In no case, however, may the agency rules serve to further restrict eligibility requirements or loan limits from those which were applicable as of the date the industrial commission

approves the guarantee of loans without federal coinsurance or the date of the termination of federal programs providing coinsurance of student loans.

SECTION 8. AMENDMENT. Section 54-17-24 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

54-17-24. State trust trusts created. The industrial commission is hereby authorized and directed to acquire and to hold in ~~trust~~ separate trusts (1) all unpaid United States government guaranteed or reinsured student loans and (2) North Dakota guaranteed student loans, belonging to the state of North Dakota or to any of its agencies, departments, or institutions which may be endorsed or assigned to it, such guaranteed student loans a ~~trust held in the trusts~~ as security for ~~special coupon~~ bonds of the state to be issued as and in the manner the commission shall decide. All guaranteed student loans so held in ~~trust~~ the trusts and the collections therefrom and the increments thereto shall be held in a special ~~fund~~ funds as the source of payment of ~~special coupon~~ bonds of North Dakota to be issued, none of which bonds shall constitute indebtedness of the state.

SECTION 9. AMENDMENT. Section 54-17-25 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

54-17-25. Bonds authorized - Establishment of secondary market program. Whenever the industrial commission decides that it is in the public interest to diminish the investment of state funds in United States government guaranteed or reinsured or North Dakota guaranteed student loans, that it will be difficult to divest the state of appreciable amounts of such loans by piecemeal offering to the investing and saving public, that business conditions are favorable to a state-sponsored program to consolidate state-held student loans, and to enlarge private participation in such loans, the commission may by plenary resolution duly adopted in accordance with the provisions hereof authorize preparation, sale, and issuance of revenue bonds of North Dakota in such amounts and at such times and in such form as the commission shall determine to be for the public good. The bonds shall be a paramount charge upon a sufficient designated portion of the resources of the student loan ~~trust trusts~~, subject only to necessary administrative expenses of the ~~trust trusts~~ duly appropriated out of the interest earning resources thereof. The bonds may bear such rate or rates of interest as the commission may provide. The bonds shall have all of the qualities and incidents of negotiable paper and shall not be subject to taxation by the state of North Dakota or by any county, municipality, or political subdivision therein. The bonds shall be payable solely out of the separate resources generated respectively from collection of payments on and earnings and proceeds of (1) United States government guaranteed or reinsured or (2) North Dakota guaranteed student loans, and shall respectively so recite. They shall not be indebtedness of the state of North Dakota or of any agency, board, department, or officer or agent thereof. Without limiting the foregoing, the commission may request the organization

of a nonprofit corporation meeting the requirements of section 103(e) of the Internal Revenue Code of 1954, as amended, and enter into one or more agreements with such corporation providing for the establishment of a secondary market program in the state of North Dakota for the acquisition by the corporation of such loans made pursuant to title IV, part B of the Higher Education Act of 1965, as amended, as the commission shall, in its discretion, deem advisable.

SECTION 10. AMENDMENT. Section 54-17-26 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

54-17-26. Bonds eligible for investment. ~~Special coupon bonds~~ Bonds issued under section 54-17-25 may be acquired and held by banks and by savings and loan associations of this state as well as by all public trust funds. They may be issued and sold at public or private sale or by negotiation as the industrial commission may direct.

Approved April 8, 1983

CHAPTER 120

SENATE BILL NO. 2227
(Nothing)

BANK OF NORTH DAKOTA LOANS

AN ACT to amend and reenact section 6-09-15.1 of the North Dakota Century Code, relating to loans by the Bank of North Dakota to the state general fund; to provide a continuing appropriation; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 6-09-15.1 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-09-15.1. Loans to general fund authorized - Continuing appropriation. Upon application by the The state treasurer and the director of the department of accounts and purchases office of management and budget may, the when the balance in the state general fund is insufficient to meet legislative appropriations, execute and issue on behalf of the state, evidences of indebtedness on the state general fund which at no time exceed the total principal amount of ten million dollars with principal maturity of not more than twelve months. As a condition precedent to the issuance and sale of the evidences of indebtedness, the state treasurer must request and obtain a statement from the director of the office of management and budget and state tax commissioner certifying that anticipated general fund revenues for the balance of the fiscal year in which the evidences of indebtedness are to be issued will exceed the principal amount and interest on the evidences of indebtedness to be issued. The state industrial commission may in turn direct the Bank of North Dakota to make loans in amounts at no time exceeding the total sum of five million dollars to the state general fund, for periods of time not exceeding nine months in duration, to the state general fund by the purchase of the evidences of indebtedness at such rates of interest as the industrial commission may prescribe, for the purpose of making money available to meet legislative appropriations from the general fund during periods of seasonally low tax collections or periods in which high withdrawals or expenditures occur. After evidences of indebtedness have been issued and sold pursuant to this section, the state treasurer shall establish a fund for the repayment of the principal upon maturity

and the interest when due. The state treasurer shall place all available general fund revenues into this fund until the fund contains a sufficient balance for the repayment of the principal at maturity and interest when due, which moneys are hereby appropriated for this purpose.

SECTION 2. EMERGENCY. This Act is hereby declared to be an emergency measure and shall be in effect from and after its passage and approval.

Approved April 19, 1983

CHAPTER 121

SENATE BILL NO. 2220
(Committee on Agriculture)
(At the request of the Bank of North Dakota)

BEGINNING FARMER LOAN PROGRAM

AN ACT to establish a revolving loan fund at the Bank of North Dakota for making agricultural real estate loans to North Dakota beginning farmers; and to provide an appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. Revolving loan fund. A revolving loan fund must be maintained in the Bank of North Dakota for the purpose of making loans to North Dakota beginning farmers, as defined under subsection 2 of section 57-38-67, for the purchase of agricultural real estate. All moneys transferred into the fund, interest upon moneys in the fund, and payments to the fund of principal and interest on loans made from the fund are hereby appropriated for the purpose of providing loans in accordance with the provisions of this Act.

SECTION 2. Administration of revolving loan fund - Application for loan. The revolving loan fund and loans made from the fund must be administered and supervised by the Bank of North Dakota. The Bank may deduct a service fee for administering the fund from interest payments received on loans. An application for a loan from the fund must be made to the Bank and, upon approval, a loan must be made from the fund in accordance with the provisions of this Act.

SECTION 3. Amount of loan - Terms and conditions. A loan made from the fund may not exceed thirty-five percent of the appraised value of the agricultural real estate to be acquired with the loan proceeds. A loan must bear interest at a rate as determined by the Bank, which may vary from loan to loan and which may be below the market rate. The term of a loan may not exceed forty years. The Bank may do all things and acts, may take such security, and may establish additional terms and conditions as deemed necessary to make a loan under the provisions of this Act. The Bank may take a second mortgage as security for a loan from the fund if a beginning farmer's real estate financing involves a loan from a source other than the state.

SECTION 4. APPROPRIATION. There is hereby appropriated out of any moneys in the accumulated and undivided profits of the Bank of North Dakota, not otherwise appropriated, the sum of five million dollars to the revolving loan fund established by this Act for the purpose of making agricultural real estate loans to North Dakota beginning farmers.

Approved April 8, 1983

CHAPTER 122

SENATE BILL NO. 2391
(Reiten)

BOND GUARANTEE FEES

AN ACT to amend and reenact section 6-09.2-08 of the North Dakota Century Code, relating to the disposition of earnings from certain bond funded reserve accounts and debt service accounts held by the economic development commission; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 6-09.2-08 of the 1981 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-09.2-08. Bond guarantee fees. The commission shall charge three percent of the principal obligation of the evidence of indebtedness as a fee for ~~guaranty~~ guarantee of debt service payments on evidence of indebtedness guaranteed by the fund debt service guarantee account ~~which shall be deposited.~~ The commission shall deposit the fee in the fund debt service guarantee account. The commission shall charge an annual administrative fee of three-eighths of one percent of the outstanding principal obligation of all evidence of indebtedness guaranteed by the fund debt service guarantee account. ~~Such fees shall be payable by the~~ The issuer's project lessee shall pay the fee in such the manner as shall be ~~prescribed~~ by the commission prescribes. Earnings on bond-funded reserve accounts and debt service accounts must be deposited in that bond's debt service account for the payment of principal and interest on the bonds. Other earnings on the investment of any accounts held by the fund shall must be first deposited in the fund administration account. Any moneys declared by the commission to be surplus and not essential to the administration of this chapter may be transferred on order of the commission to the fund debt service guarantee account.

SECTION 2. EMERGENCY. This Act is hereby declared an emergency measure and is in effect from and after its passage and approval.

Approved March 15, 1983

CHAPTER 123

SENATE BILL NO. 2218
(Committee on Political Subdivisions)
(At the request of the Bank of North Dakota)

**POLITICAL SUBDIVISION BOND
BANK PARTICIPATION**

AN ACT to amend and reenact section 6-09.4-05 and subsection 2 of section 6-09.4-10 of the North Dakota Century Code, relating to participation by a political subdivision in the North Dakota municipal bond bank and the reserve fund required to be maintained by the bond bank.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 6-09.4-05 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-09.4-05. Participation voluntary - Agreement to participate. Participation by a political subdivision is entirely voluntary and no political subdivision shall be required to sell its bond issues to the bond bank. Notwithstanding any other state law applicable to the issuance of bonds, a political subdivision desiring to participate in the bond bank may enter into an agreement with the bond bank for the purchase by the bond bank of a bond issue or issues of the political subdivision, including the purchase by the bond bank of an issue or issues of refunding bonds, which refunding bonds may be required by the agreement to be issued at a rate or rates of interest higher or lower than that of the bond issue or issues to be refunded.

SECTION 2. AMENDMENT. Subsection 2 of section 6-09.4-10 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

2. Moneys in said fund at any time in excess of the required debt service reserve or in excess of the amount permissible under section 103 (d) of the IRS Internal Revenue Code may be withdrawn at any time by the bond bank and transferred to any other fund or account of the bond bank.

Approved March 4, 1983

CHAPTER 124

SENATE BILL NO. 2364
(Nothing, Redlin)

COMMUNITY WATER FACILITY LOANS

AN ACT to amend and reenact section 6-09.5-07 of the North Dakota Century Code, relating to terms on community water facility loans; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 6-09.5-07 of the 1981 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-09.5-07. Loan terms. Revolving fund loans approved by the Bank of North Dakota shall in no event exceed fifty percent of the cost of a community water facility project. Such loans shall bear interest at a rate of three percent less per annum than the loan rate charged by the farmers home administration or its successor for community water facility projects.

SECTION 2. EMERGENCY. This Act is hereby declared to be an emergency measure and is in effect from and after its passage and approval.

Approved March 29, 1983

CHAPTER 125

SENATE BILL NO. 2447
(Senator Stenehjem)
(Representative D. Olsen)

DEVELOPMENTALLY DISABLED FACILITY LOAN FUND

AN ACT to amend and reenact sections 6-09.6-01, 6-09.6-02, 6-09.6-03, 6-09.6-04, and 6-09.6-05 of the North Dakota Century Code, relating to the developmentally disabled facility loan fund; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 6-09.6-01 of the 1981 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-09.6-01. Revolving loan fund. A revolving loan fund shall be maintained in the Bank of North Dakota, for the purpose of making loans to nonprofit corporations, organized in the locality in which a facility is proposed to be located, for the project costs, including the cost of real estate, construction, reconstruction, ~~or~~ acquisition, furnishings and equipment, and administrative costs related to the establishment of intermediate care facilities for developmentally disabled, chronically mentally ill, and physically disabled persons ~~and residential facilities for physically disabled persons~~. All moneys transferred into the fund, interest upon moneys in the fund, and collections of interest and principal on loans made from the fund are hereby appropriated for the purpose of providing loans in accordance with the provisions of this chapter.

SECTION 2. AMENDMENT. Section 6-09.6-02 of the 1981 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-09.6-02. Administration of revolving fund. The revolving fund and loans made therefrom shall be supervised and administered by the Bank of North Dakota. All applications for loans under the provisions of this chapter shall be made to the state department of human services. The department may approve the applications of qualified applicants who propose projects which the department determines will offer necessary and appropriate services to persons served under this chapter. The department may ~~promulgate~~ adopt

rules, pursuant to chapter 28-32, to carry out the provisions of this chapter. Applications approved by the department, in consultation with the state department of health, shall be forwarded to the Bank of North Dakota. Upon approval of such application by the Bank of North Dakota, loans shall be made from the revolving fund in accordance with the provisions of this chapter.

SECTION 3. AMENDMENT. Section 6-09.6-03 of the 1981 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-09.6-03. Amount of loan - Terms and conditions. Loans in an amount not exceeding three-fourths of project costs, including the cost of construction, reconstruction, or acquisition, including furnishings, equipment, and administrative cost related to the establishment of the project, and the cost or value of real estate upon which the facility is located, and in no event exceeding three hundred thousand dollars to any one applicant; shall be made by the Bank of North Dakota ~~to nonprofit corporations to be used in the construction, reconstruction, or acquisition of intermediate care facilities in this state for developmentally disabled persons and residential facilities for physically disabled persons~~ from the fund maintained pursuant to section 6-09.6-01. Such loans shall bear interest at a rate of five percent, and shall be repayable in the manner prescribed by the Bank of North Dakota within a period of not more than twenty-five years. In addition, in consideration of the granting of a loan under this chapter, each nonprofit corporation shall execute a contract with the state to operate the facility in accordance with the standards prescribed for the licensing of the facility by the state department of human services. The contract shall also provide that if the use of the facility is discontinued or diverted to ~~other purposes other than those proposed in the loan application without the express consent of the state department of human services,~~ the full amount of the loan provided under this chapter shall immediately become due and payable. The Bank of North Dakota may annually deduct one-half of one percent of the principal balance of the outstanding loans annually from the revolving fund as a service fee for administering the revolving fund. Payments of interest and principal on loans made under this chapter shall be made to the Bank of North Dakota and credited to the revolving fund.

SECTION 4. AMENDMENT. Section 6-09.6-04 of the 1981 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-09.6-04. Standards - Administration procedure. The state department of health, in consultation with the state department of human services, shall establish standards of construction which shall be followed by all applicants receiving loans ~~of funds for the construction, reconstruction, or acquisition of intermediate care facilities for developmentally disabled persons and residential facilities for physically disabled persons~~ made under this chapter.

SECTION 5. AMENDMENT. Section 6-09.6-05 of the 1981 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-09.6-05. Powers of Bank of North Dakota. The Bank of North Dakota may do all acts or things necessary to negotiate loans and preserve security under this chapter, including the power to take such security as deemed necessary, to exercise any right of redemption, and to bring suit against any nonprofit corporation in order to collect interest and principal due the revolving fund under mortgages, contracts, and notes executed to obtain loans under the provisions of this chapter. If the applicant's plan for financing provides for a loan of funds from sources other than the state of North Dakota, then the Bank of North Dakota ~~shall~~ may take a ~~second~~ subordinate mortgage upon the facilities constructed or reconstructed from the proceeds of the loan. The Bank may recover from the revolving loan fund amounts actually expended by it for legal fees and to effect a redemption.

SECTION 6. EMERGENCY. This Act is hereby declared to be an emergency measure and is in effect from and after its passage and approval.

Approved April 8, 1983

CHAPTER 126

SENATE BILL NO. 2345
(Senators Vosper, Adams, Tallackson)
(Representatives Nicholas, A. Olson, Kent)

BEGINNING FARMER LOAN GUARANTEE PROGRAM

AN ACT to create and enact a new chapter to title 6 of the North Dakota Century Code, relating to a beginning farmer loan guarantee program to be administered by the Bank of North Dakota; and to repeal sections 54-17-29, 54-17-30, and 54-17-31 of the North Dakota Century Code, relating to an industrial commission loan guarantee program for seller-sponsored loans between landowners and beginning farmers, the procedure on default of a guaranteed loan, and the establishment and maintenance of an adequate guarantee fund through an appropriation from the lands and minerals trust.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. A new chapter to title 6 of the North Dakota Century Code is hereby created and enacted to read as follows:

Beginning farmer loan guarantee program - Administration by the Bank of North Dakota. The Bank of North Dakota shall administer the beginning farmer loan guarantee program established by this Act.

Definitions. As used in this Act, unless the context or subject matter requires otherwise:

1. "Beginning farmer" means a person who qualifies as a beginning farmer under section 57-38-67(2).
2. "Lender" means any lending institution which is regulated or funded under the laws of North Dakota or the United States and which has provided financing to a beginning farmer for the purchase of farm real estate.
3. "Loan guarantee" means an agreement that in the event of default by a beginning farmer under a contract for deed or a note and mortgage, the Bank shall pay the seller or lender ninety percent of the amount of principal due the

seller or lender at the time the claim is approved from the loan guarantee fund.

4. "Seller" means any person, association, partnership, or corporation which has provided financing to a beginning farmer for the purchase of farm real estate or which has entered into a contract for deed with a beginning farmer for the sale and purchase of farm real estate.

Application for guarantee. Any lender or seller may apply to the Bank for a loan guarantee. A loan guarantee shall not be approved if the purchase price of the farm real estate exceeds its appraisal value.

Loan guarantee fund - Administrative charges. There is hereby created a beginning farmer loan guarantee fund which shall be used by the Bank to carry out the provisions of this Act. The fund shall include the moneys appropriated by section 54-17-31 as it existed on June 30, 1983, and all earnings, less any administrative charges, from the investment of those moneys, and such moneys are hereby appropriated to the beginning farmer loan guarantee fund. Any and all administrative charges of the Bank necessary for the administration of the program established by this Act may be charged to earnings of the fund.

Termination. A loan guarantee may be terminated by the Bank upon the sale, exchange, assignment, or transfer of the beginning farmer's interest in the farm real estate and shall be terminated if the Bank determines that the loan guarantee was obtained by fraud or material misrepresentation of which the lender or seller has actual knowledge.

Term - Annual fee. The term of a loan guarantee shall not exceed five years. The Bank may charge a seller or lender an annual fee during the term of a loan guarantee.

Rules. The Bank shall adopt rules to implement this Act, which may include a formula for determining the ratio of reserves in the loan guarantee fund to the amount of guaranteed loans, the maximum dollar amount of a guarantee, and the maximum allowable annual interest rate on a loan eligible for a guarantee.

SECTION 2. REPEAL. Sections 54-17-29, 54-17-30, and 54-17-31 of the North Dakota Century Code are hereby repealed.

Approved April 8, 1983

CHAPTER 127

HOUSE BILL NO. 1426
(Martinson)

INVESTMENT TRUST COMPANY CHARTER REVOCATION

AN ACT to provide for the revocation of charters for investment trust companies formed under chapter 6-11 and the appointment of a receiver to liquidate and distribute the assets of such investment trust companies; and to repeal chapter 6-11 of the North Dakota Century Code, relating to investment trust companies; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. Revocation of charters. Effective July 1, 1983, the charters for all investment trust companies organized under chapter 6-11 are revoked and such companies shall cease to exist.

SECTION 2. Appointment of administrative receivers. The commissioner of the department of banking and financial institutions shall appoint receivers who shall proceed to liquidate the affairs of each investment trust company organized under chapter 6-11. A qualified employee of the department of banking and financial institutions may be appointed receiver.

SECTION 3. Administrative receiver to furnish bond. Before proceeding to liquidate the affairs of any former investment trust company, each receiver shall furnish a bond executed by a surety company authorized to do business in this state, which bond shall be for the benefit of the state of North Dakota, in a penal sum set by the state banking board, for the faithful performance of the duties imposed in connection with liquidating the affairs of a former investment trust company and accounting for all moneys received on account of the receivership of a former investment trust company. Such bond must be approved as to form by the attorney general and must be filed with the commissioner of the department of banking and financial institutions. If the assets of a former investment trust company do not exceed ten thousand dollars, the state banking board may waive the requirement of a bond. Regular employees of the department of banking and financial institutions may act as receiver without furnishing a bond if they are covered by a bond obtained on their behalf by the department of banking and financial institutions

for act performed while employees of the department. The cost of any bond imposed must be paid from the assets of the former investment trust company which is being liquidated and suit may be maintained on any bond imposed by any person injured by the receiver's breach of the duties imposed by this Act.

SECTION 4. Powers of the receiver. The receiver shall take control of the assets and business of a former investment trust company after having qualified in the manner provided. The receiver appointed by the commissioner of the department of banking and financial institutions is authorized to collect all moneys due to such former investment trust company, and to do all such other acts as are necessary to conserve its business and assets and proceed to liquidate its affairs. The receiver shall have general and inclusive power and authority, except as otherwise limited by the provisions of this Act, to do any and all acts and to take any and all steps necessary, or in his discretion desirable, for the protection of the property and assets of the former investment trust company and the speedy and economical liquidation of its assets and affairs and the payment of its creditors. The receiver may institute in his own name, as receiver, such suits, actions, and other legal proceedings as are expedient for such purposes and the enforcement of any stockholder's liability. He may sell, compromise, or compound any bad or doubtful debt or claim and sell and dispose of any or all of the assets of the former investment trust company upon receiving an order to do so from the district court having jurisdiction over the receivership. Such sale may be made to former stockholders, former officers, former directors, or others interested in the former investment trust company upon consent of the court. The receiver shall notify the former stockholders, former officers, and former directors of the sale by the service of a notice upon a former officer, or former director of the former investment trust company which shall be served by certified or registered mail, and the hearing on the application or petition may be had at any time after the said persons have had five days notice of the petition or application.

SECTION 5. Receiver to notify claimants - Publication - Limitation of action on claims. The receiver shall give notice of the receivership on behalf of the former investment trust company by causing to be published in the official newspaper printed and published for the county in which the former investment trust company maintained its corporate office, a notice in substantially the following form: "Notice is hereby given that the charter of the ----- investment trust company, -----, North Dakota, was revoked effective July 1, 1983, in accordance with the provisions of chapter 6-11 of the North Dakota Century Code and that the undersigned has been appointed receiver on behalf of the former ----- investment trust company. Creditors of the ----- investment trust company must file claims with the undersigned within ninety days from the date of the first publication of this notice". The date of first publication shall be shown, and the name and the address of the receiver shall be specified. The notice shall be published once a week for two

successive weeks and a copy shall be mailed by the receiver, within thirty days after his appointment to every creditor whose address appears on the records of the former investment trust company or who shall be known to the receiver. Proof of such publication and mailing shall be made by affidavits to be filed in the office of the clerk of the district court having jurisdiction over the receivership. Any claim against the former investment trust company not presented to the receiver within ninety days after the first publication of the notice described in this section shall be barred and cannot thereafter be presented, nor can any action be maintained thereon, and any person bringing such an action must allege in his complaint and prove that the action is not barred.

SECTION 6. Action on creditors' claims. The receiver may allow or reject any claim filed with him. Written notice of rejection of any claim shall be served on the claimant either personally or by registered or certified mail. The action of the receiver in rejecting a claim, in whole or in part, may be reviewed by the court having jurisdiction over the receivership upon motion of the claimant made within sixty days after the personal service of notice of rejection or the date of mailing of the notice. If the motion is not made within the time specified by this section, the claim shall be barred forever.

SECTION 7. Receiver to furnish financial statement to stockholders, depositors, and creditors. The receiver, on or before September 1, 1983, shall prepare a statement showing the assets and liabilities of the former investment trust company as of July 1, 1983. A copy of the statement of assets and liabilities shall be filed in the office of the commissioner of the department of banking and financial institutions, a copy shall be filed in the office of the clerk of the district court having jurisdiction over the receivership, and a copy shall be furnished by the receiver upon request to any former stockholder, holder of an investment trust certificate issued by the former investment trust company, or creditor of the former investment trust company whose name appears on its records. The receiver, annually thereafter, shall prepare a statement of the affairs of the receivership, which must show the amounts collected since the last statement was rendered, the disposition made of funds collected, and the amount of assets on hand at the time of the annual statement. The receiver shall file a copy of the annual statement in each of the offices in which the original statement is filed and shall furnish a copy to any person who received a copy of the original statement.

SECTION 8. Dividends from receivership. After the time for presentation of claims has expired, the receiver, with the approval of the district court having jurisdiction over the receivership, may declare and pay dividends out of funds on hand belonging to the former investment trust company and at any time thereafter, in the event liquidation of the assets has been completed, may declare and pay a final dividend. Any unclaimed dividends or other recoveries, upon the closing of the receivership, shall be deposited by the

receiver with the commissioner of the department of banking and financial institutions.

SECTION 9. Salary and expense of receiver - Receiver may have more than one former investment trust company. Any receiver appointed by the commissioner of the department of banking and financial institutions under the provisions of this Act, shall receive from the assets of the former investment trust company for which he has been designated as receiver, salary and expenses as determined by the district judge having jurisdiction over the receivership. Nothing in this section shall prohibit the same person from being appointed receiver on behalf of more than one former investment trust company. A receiver who is an employee of the department of banking and financial institutions may not be paid compensation and expenses from the assets of the former investment trust company in addition to his compensation and expense reimbursement as an employee of the state of North Dakota.

SECTION 10. Designation of district judge for receivership - Court in which papers filed. The presiding judge of the district court for the locality in which the former investment trust company's corporate offices were located shall have jurisdiction over the receivership. Any papers or reports required by this Act must be filed with the district court of the locality in which the former investment trust company's corporate offices were located.

SECTION 11. Closing of receiverships - Sale of assets - Notice. Every receivership must be terminated within three years of the date of the appointment of the first receiver on behalf of a former investment trust company. If ninety days prior to the expiration of the three-year period any assets remain in the hands of the receiver, the receiver shall publish notice of sale of assets in the official newspaper for the county where the former investment trust company's corporate offices were located once each week for three successive weeks prior to the date set for sale. At the sale of assets, assets may be sold to the highest bidder. The sale may be had at any earlier time when ordered by the district court having jurisdiction over the receivership. When the receivership of a former investment trust company is terminated, the receiver shall deliver all books, records, documents, and other property of the former investment trust company and any unclaimed dividends to the commissioner of the department of banking and financial institutions and shall obtain a receipt. The receipt must be filed in the district court having jurisdiction over the receivership and the discharge of the receiver must be approved by the district court before it becomes final. The commissioner of the department of banking and financial institutions shall be the custodian of all books, records, documents, and other property of the former investment trust company and of the dividends remaining unclaimed upon termination of receivership proceedings and shall be vested with title to any assets belonging to the former investment trust company and not distributed in the receivership. The commissioner of the department of banking and financial institutions shall have full power and authority to convert such assets into cash. The

commissioner of the department of banking and financial institutions shall also have the authority to execute all deeds, satisfactions, assignments, or other documents required for the purpose of transferring undistributed assets or for the purpose of correcting public records and quieting title to property in which the former investment trust company has or has had an apparent interest. Any moneys collected by the commissioner of the department of banking and financial institutions after the termination of a receivership shall be paid to the commissioner of university and school lands.

SECTION 12. Disposition of unclaimed dividends or other moneys delivered to commissioner. Any unclaimed dividend or other money delivered to the commissioner of the department of banking and financial institutions by the receiver for a former investment trust company pursuant to the provisions of section 11 of this Act shall be transferred to the commissioner of university and school lands and voucher made for the payment of such dividends to persons entitled to them in accordance with chapter 47-30.

SECTION 13. REPEAL. Chapter 6-11 of the North Dakota Century Code is hereby repealed.

SECTION 14. EMERGENCY. This Act is hereby declared to be an emergency measure and is in effect from and after its passage and approval.

Approved March 15, 1983